

## HUMAN SERVICES DEPARTMENT[441]

### Adopted and Filed Emergency

Pursuant to the authority of Iowa Code section 249A.4 and 2014 Iowa Acts, House File 2463, sections 39, 40, 45, 61 and 62, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

This amendment is based on 2014 Iowa Acts, House File 2463, which provides that community mental health centers (CMHCs) may choose to be reimbursed for the services provided to recipients of medical assistance at 100 percent of the reasonable costs of the services or in accordance with an alternative reimbursement rate methodology established by the medical assistance program’s managed care contractor for mental health services and approved by the Department of Human Services.

This amendment will reduce the number of CMHCs opting for the 100 percent cost-based reimbursement, in favor of the new alternative statewide reimbursement rate methodology established by the Medicaid program’s managed care contractor for mental health services. The CMHCs that sought this type of alternative reimbursement methodology did so due to the inherent additional time involved in preparing and submitting cost reports and the inherent delays in the process for final cost settlement.

The Administrative Rules Review Committee reviewed this amendment on June 10, 2014.

The Council on Human Services adopted this amendment on June 11, 2014.

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are impractical because the Legislature provided in sections 40, 45, 61 and 62 of 2014 Iowa Acts, House File 2463, that rules may be adopted to implement alternative reimbursement methodologies for community mental health centers without notice or opportunity for public comment.

Pursuant to Iowa Code section 17A.5(2)“b”(1), the Department further finds that the normal effective date of this amendment, 35 days after publication, should be waived and the amendment made effective July 1, 2014, because the Legislature provided a specific grant of emergency rule-making authority relative to this new reimbursement methodology in 2014 Iowa Acts, House File 2463, sections 40, 45, 61 and 62.

This amendment is also published herein under Notice of Intended Action as **ARC 1520C** to allow for public comment.

This amendment does not provide for waivers in specified situations because the legislation does not specifically allow for waivers. Requests for waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 249A.4 and 2014 Iowa Acts, House File 2463, sections 61 and 62.

This amendment became effective July 1, 2014.

The following amendment is adopted.

Amend subrule 79.1(25) as follows:

**79.1(25) Reimbursement for community mental health centers (CMHCs) and providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3).**

*a. Reimbursement methodology for providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3).* Effective for services rendered on or after October 1, 2006, ~~community mental health centers and~~ providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3) that provide clinic services are paid on a reasonable-cost basis as determined by Medicare reimbursement principles.

*b. Reimbursement methodology for community mental health centers.* Effective for services rendered on or after July 1, 2014, community mental health centers may elect to be paid on either a 100 percent of reasonable costs basis, as determined by Medicare reimbursement principles, or in accordance with an alternative reimbursement rate methodology established by the Medicaid program’s managed care contractor for mental health services and approved by the department of human services. Once a

community mental health center chooses the alternative reimbursement rate methodology established by the Medicaid program's managed care contractor for mental health services, the community mental health center may not change its elected reimbursement methodology to 100 percent of reasonable costs until a new state fiscal year.

c. *Cost-based reimbursement. Rates* For providers of mental health services to county residents pursuant to a waiver approved under Iowa Code section 225C.7(3) and CMHCs that elect the 100 percent of reasonable costs basis of reimbursement, rates are initially paid on an interim basis and then are adjusted retroactively based on submission of a financial and statistical report, pursuant to the following.

(1) to (5) No change.

b. d. *Reporting requirements.* All providers other than CMHCs that have elected the alternative reimbursement rate methodology established by the Medicaid program's managed care contractor for mental health services shall submit cost reports using Form 470-4419, Financial and Statistical Report. A ~~hospital~~ Hospital-based ~~provider~~ providers required to submit a cost report shall also submit the Medicare cost report, CMS Form 2552-96. The following requirements apply to all required cost reports.

(1) to (6) No change.

[Filed Emergency 6/12/14, effective 7/1/14]

[Published 7/9/14]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 7/9/14.